



RECORDATION NO. 27494 FILED

April 2, 2008

MAY 07 '08

4:11 PM

SURFACE TRANSPORTATION BOARD

VIA FEDERAL EXPRESS
Mr. Vernon A. Williams
Secretary
Surface Transportation Board
395 E Street, SW
Washington, DC 20423

RE: Documents for Recordation:
Commercial Security Agreement, \$60,000.00 Loan

Dear Mr. Williams:

I have enclosed an original and one fully executed counterpart of the document described below. This document is a Security Agreement, a primary document dated April 2, 2008, securing an indebtedness in the principal sum of \$60,000.00 by borrower Locomotive Sales & Leasing Corporation. I request recordation of the enclosed Security Agreement pursuant to § 11301 of Title 49 of the U.S. Code.

The names and addresses of the parties to the documents are as follows:

Debtor/Mortgagor: Locomotive Sales & Leasing Corporation
P.O. Box 5546
Greenville, MS 39703

Borrower: Locomotive Sales & Leasing Corporation
P.O. Box 5546
Greenville, MS 39703

Secured Party/Mortgagee: CB&S Bank
P.O. Box 910
Russellville, AL 35653

The contact information for the Secured Party, CB&S Bank is: Tom S. Ray, Branch Manager. Phone: 256-332-1710 Extension 5308; Fax: 662-334-7422.

Letter, Surface Transportation Board

Re: Commercial Security Agreement. \$60,000.00 Loan

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A description of the railroad equipment covered by the Security Agreement submitted for filing is as follows:

One (1) EMD, General Motors Electric Motor Division locomotive owned by Locomotive Sales & Leasing Corporation described as follow: GP7 Switching Locomotive, Unit 1551, Road # LCLX 1511; 1500 HP; EMD 16-657BC Engine; D77 Traction Motors; D12 Generator; WB0 Air Compressor; 26NL Brakes; 2" Wheels, AAR Rolling Bearing Trucks; MU equipped: and equipped with Ditch Lights; along with all equipment, parts, attachments. accessories, repairs, improvements, and accessions now or hereafter affixed thereto. Included in the property covered by the aforesaid Security Agreement is a locomotive intended for use related to interstate commerce, or interests therein, owned by Locomotive Sale and Services, Inc. at the date of said Security Agreement or thereafter acquired by it or its successors as owners of the lines of railway covered by the mortgage.

A short summary of the document to appear in the index follows:

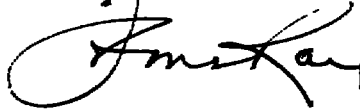
Security Agreement between CB&S Bank and Locomotive Sales & Leasing Corporation dated April 2, 2008 securing a loan in the principal amount of \$60,000.00 by borrower Locomotive Sales & Leasing Corporation and covering one locomotive owned by Locomotive Sales & Leasing Corporation: One (1) EMD, General Motors Electric Motor Division locomotive owned by Locomotive Sales & Leasing Corporation described as follow: GP7 Switching Locomotive, Unit 1551, Road # LCLX 1511; 1500 HP; EMD 16-657BC Engine; D77 Traction Motors; D12 Generator; WB0 Air Compressor; 26NL Brakes; 2" Wheels, AAR Rolling Bearing Trucks; MU equipped; and equipped with Ditch Lights; along with all equipment, parts, attachments, accessories, repairs, improvements, and accessions now or hereafter affixed thereto., for use related to interstate commerce, or interests therein, owned by Locomotive Sales & Leasing Corporation at the date of said Security Agreement or thereafter acquired by it or its successors as owners of the water carriers or the lines of railway covered by the mortgage.

Letter, Surface Transportation Board
Re: Commercial Security Agreement, \$60,000.00 Loan
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My check in the sum of \$35.00 for the statutory filing fees, payable to "Secretary. Surface Transportation Board". is also enclosed. Please return the original to Lisa Pyle at CB&S Bank, PO Box 910, Russellville, Alabama 35653.

Should you have any questions or require additional information please do not hesitate to contact me at 256-332-1710 Extension 5308.

Yours very truly,

A handwritten signature in black ink, appearing to read "Tom S. Ray", written over a horizontal line.

Tom S. Ray
Branch Manager
CB&S Bank

CB&S:tb/lp

Cc: Attn: Tom S. Ray
CB&S Bank
Robert Crowley
Stanley Donald, C.P.A.
William H. Wright

COMMERCIAL SECURITY AGREEMENT SURFACE TRANSPORTATION BOARD

LOCOMOTIVE SALES & LEASING CORPORATION (Name)

1417 TRAILWOOD DRIVE GREENVILLE Washington MS (Street Address) (City) (County) (State)

(hereinafter called "Debtor") a (an) Corporation (Corporation - Partnership - Individual)

said address being Debtor's only place of business and location of the Collateral covered hereby except for the following additional locations

hereby grants to CB&S Bank Greenville Greenville, Mississippi (hereinafter called "Bank"),

a security interest in all of Debtor's:

One (1) EMD, General Motors Electric Motor Division locomotive owned by Locomotive Sales & Leasing Corporation described as follow: GP7 Switching Locomotive, Unit 1551, Road # LCLX 1511; 1500 HP; EMD 16-657BC Engine; D77 Traction Motors; D12 Generator; WBO Air Compressor; 26NL Brakes; 2" Wheels, AAR Rolling Bearing Trucks; MU equipped; and equipped with Ditch Lights; along with all equipment, parts, attachments, accessories, repairs, improvements, and accessions now or hereafter affixed thereto.

together with all equipment, parts, accessories, attachments and replacements thereof, and all other goods of the same class whether now owned or hereafter acquired by Debtor, and the proceeds thereof, and whether now in existence or hereafter acquired, entered into or created, and any and all products or proceeds thereof, together with inventory returned or repossessed, from sale, disposition or otherwise, herein all collectively called "Collateral".

Debtor and/or other borrower, as the case may be, desires to borrow sums of money from the Bank from time to time in varying amounts, which borrowings are to be evidenced by promissory notes and other evidences of indebtedness and are to be secured by the security interest granted hereby. Debtor hereby grants to Bank a continuing security interest in the Collateral to secure the indebtedness described below, including the payment and performance of all promissory notes and agreements described below, whether by the Debtor or other borrowers and the performance by Debtor of the agreements hereinafter set forth and all amendments, renewals, extensions, modifications, replacements or substitutions of any of the foregoing.

| BORROWER | INTEREST RATE | PRINCIPAL AMOUNT/ CREDIT LIMIT | NOTE/ AGREEMENT DATE | MATURITY DATE/ PAYABLE ON |
|--|---------------|--------------------------------|----------------------|---------------------------|
| LOCOMOTIVE SALES & LEASING CORPORATION | 8.000 | 60,485.00 | 04/02/2008 | 07/01/2008 |

The indebtedness secured hereby shall also include (1) loans to be made under this agreement as evidenced by promissory notes or other evidence of indebtedness payable to the Bank, which shall be due and payable in a manner satisfactory to the Bank, and also any renewals or extensions thereof, and notes given in payment of interest, and all attorneys' fees, court costs and expenses of whatever kind incident to collection of the indebtedness secured hereby and the enforcement of the security interest created hereby; (2) all future advances made by the Bank for taxes, levies, insurance and preservation of Collateral, together with interest at the rate stipulated in the note(s) or other evidence(s) of indebtedness from the date same shall have been paid; and (3) all other money heretofore or hereafter advanced by Bank to or for the account of Debtor and/or any other borrower named above, and all other present or future, direct or contingent liabilities or indebtedness of Debtor and/or any other borrower named above to Bank of any nature whatsoever and any extensions or renewals thereof. Notwithstanding any provision in this Agreement or in any other agreement with Bank, the Bank shall not have a nonpossessory security interest in and its Collateral shall not include any household goods (as defined in Federal Reserve Board Regulation AA, Subpart B), unless the household goods are identified in a security agreement and are acquired as a result of a purchase money obligation. Such household goods shall only secure said purchase money obligation (including any refinancing thereof). This Agreement secures all sums advanced by Bank under the terms of this Agreement and payment and performance of the secured debts described above.

Debtor represents, warrants and agrees as follows:

1. The Collateral will be used by Debtor primarily in business and all of Debtor's places of business are in the County set forth above, except as follows:

2. ☐ All or part of the Collateral will be used by the Debtor as fixtures, attached or to be attached to real estate owned or leased by LOCOMOTIVE SALES & LEASING CORPORATION and described as follows:

3. Debtor is the owner of the Collateral free and clear of all liens and security interests, or the Collateral is being acquired by Debtor with the proceeds of the note described above and Bank is authorized to disburse the proceeds of said loan directly to the seller of the Collateral as shown on Bank's records. Debtor will defend the Collateral against the claims and demands of all persons.

4. Unless Debtor has represented above that the Collateral is attached or will be attached to realty as a fixture and the real property is described herein, Debtor will not allow the Collateral to be attached to real estate in such manner as to become a fixture or a part of any real estate. Neither will Debtor allow the Collateral to become an accession to other goods without the Bank's approval.

5. Debtor will pay the Bank all amounts secured hereby as and when the same shall be due and payable, whether at maturity, by acceleration or otherwise, or when Bank deems itself insecure for any reason, and will perform all terms of said indebtedness and this or any other security or loan agreement between Debtor and Bank, and will discharge all said liabilities.

6. Debtor will at all times keep the Collateral insured against all insurable hazards in amounts equal to the full cash value of the Collateral. Such insurance shall be in such companies as may be acceptable to Bank, with provisions satisfactory to Bank for payment of all losses thereunder to Bank as its interest may appear, and, if required, to deposit the policies with Bank. Any money received by Bank under said policies may be applied to the payment of any indebtedness secured hereby, whether or not due and payable, or at Bank's option may be delivered by Bank to Debtor for the purpose of repairing or restoring the Collateral. Debtor assigns to Bank all right to receive proceeds of insurance not exceeding the amounts secured hereby, directs any insurer to pay all proceeds directly to Bank, and appoints Bank as Debtor's Attorney in Fact to endorse any draft or check made payable to Debtor in order to collect the benefits of such insurance. If the Debtor fails to keep the Collateral insured as required by Bank, or if the Debtor fails to furnish evidence of such insurance to the Bank, Debtor will be in default hereunder, and Bank, at Bank's option and discretion, and in addition to Bank's other remedies at law, in equity or by contract, may purchase such insurance. Provided, however, Bank shall not be obligated to pay any insurance premiums or carry any form of insurance on the Collateral. If Bank purchases such insurance, Debtor shall reimburse Bank for the premium, plus accrued interest. Debtor's obligation to reimburse Bank for the purchase of such insurance shall be secured by the Collateral, and shall bear interest at the rate set forth in the note secured hereby. At Bank's option, Debtor agrees to either reimburse Bank on demand for the premium paid by Bank to purchase such insurance, to pay said sums in any manner of installments required by Bank in connection with the remaining payments outstanding pursuant to the note and/or liabilities secured hereby, to pay as a balloon payment at the maturity of any of the notes and/or liabilities secured hereby or to allow Bank to extend the maturity of any of the notes and/or liabilities secured hereby to provide for reimbursement of Bank for the payment of the premium for such insurance. However, Bank's action to reschedule payments to provide for reimbursement of the premium that Bank paid for such insurance shall not create a new obligation or satisfy or replace original obligation(s). Debtor understands and agrees that the insurance that Bank purchases WILL NOT provide any form of liability insurance for Debtor's benefit or anyone claiming through Debtor. Bank may obtain this insurance through one or more companies, other than the insurance company originally used by Debtor and such insurance will generally be more expensive than the insurance coverage Debtor could voluntarily obtain from another insurance company. If Debtor obtains the required insurance on the collateral after Bank has purchased insurance hereunder, and Debtor furnishes to Bank satisfactory evidence that such insurance has been purchased, Debtor shall be entitled to a refund of the unused portion of the premium for the insurance Bank purchased, calculated from the effective date of the required insurance that Debtor purchases on the Collateral. Debtor authorizes Bank to forward any information that the Bank deems necessary to third parties performing services incidental to Bank's rights and duties under this Security Agreement, including but not limited to insurance monitoring and placement services.

7. Debtor will keep the Collateral in good condition and repair and will pay and discharge all taxes, levies and other impositions levied thereon as well as the cost of repairs to or maintenance of same, and will not permit anything to be done that may impair the value of any of the Collateral. If Debtor fails to pay such sums, Bank may do so for Debtor's account and add the amount thereof to the other amounts secured hereby.

8. Debtor will pay all costs of filing, financing, continuation and termination statements with respect to the security interest created hereby and Bank is authorized to do all things which it deems necessary to perfect and continue perfected the security interest created hereby and to protect the Collateral.

9. Debtor will not permit any of the Collateral to be removed from the location specified herein, except for temporary periods in the normal and customary use thereof, without the prior written consent of Bank, and will permit Bank to inspect the Collateral at any time.

10. Debtor will not sell, exchange, lease or otherwise dispose of any of the Collateral without the prior written consent of Bank; permit any liens or security interests to attach to any of the Collateral except that created by this agreement; permit any of the Collateral to be levied upon under any legal process; or permit anything to be done that may impair the security intended to be afforded by this agreement. The inclusion of proceeds in this agreement does not authorize Debtor to sell, dispose of or otherwise use the Collateral in any manner not specifically authorized by the agreement.

11. With respect to deposit account collateral, Debtor authorizes Bank to take all actions which Bank deems necessary to perfect Bank's security interest in such deposit account Collateral, including without limitation taking possession, filing a financing statement or obtaining a control agreement from a third party. Debtor agrees to cooperate with Bank in obtaining control, in a form and substance satisfactory to Bank, to perfect Bank's security interest in such deposit account Collateral including, at Bank's request, the transfer of such funds and/or deposits represented by such deposit account Collateral to a depository account at Bank. Debtor agrees that Bank has no obligation to collect income accruing on any deposit account held as Collateral hereunder or to preserve any rights therein. Debtor acknowledges and agrees that Debtor has no right to withdraw from, pledge, dispose of, transfer, or otherwise deal with any deposit account held as Collateral hereunder; provided, however, that if such Collateral is a demand or other transaction deposit account, until Bank notifies the Debtor to the contrary, Debtor may direct disposition of funds from such deposit account, transfer or otherwise deal with such deposit account. The inclusion of proceeds in this Security Agreement does not allow Debtor to pledge, transfer or otherwise deal with any deposit account held as Collateral hereunder. Debtor agrees to defend all deposit accounts held as Collateral hereunder, and all of Bank's rights therein, against claims and demands of other persons. Debtor will not permit (1) a lien or security interest (other than Bank's) to attach to any such deposit account, (2) a levy, seizure, forfeiture or legal process to be instituted and/or begun against any such deposit account, (3) any such deposit account to be used illegally or for illegal purpose(s), and/or (4) anything to be done that may impair the value of any such deposit account or the security intended to be afforded by this Security Agreement. Debtor will pay any taxes due on any such deposit account and/or interest accruing thereon.

12. Bank reserves the right to decline to handle any particular note offered for discount when the Collateral is deemed inadequate or Debtor is in default. If a loan formula expressed as a percentage of Collateral is agreed upon between Bank and Debtor, Bank reserves the right to amend this formula upon ten (10) days notice to Debtor. While any indebtedness is outstanding from Debtor to Bank, Debtor shall certify to Bank in writing the amount, condition and existence of Collateral, such certification being made as soon as possible following and as of the last day of each month or at such other times as Bank may reasonably require, and such certification, including documentation in support thereof, shall be in a form satisfactory to Bank.

So long as Debtor is not in default hereunder, Debtor shall have the right to process and sell Debtor's inventory in the regular course of business. Bank's security interest hereunder shall attach to all proceeds of all sales or other dispositions of the Collateral. If at any time any such proceeds shall be represented by any instruments, chattel paper or documents of title, then such instruments, chattel paper or documents of title shall be promptly delivered to Bank and included in the security interest granted hereby. If at any time any of Debtor's inventory is represented by any document of title, such document of title will be promptly delivered to Bank and included in the security interest granted hereby.

The contract rights covered by this agreement arise under an existing, written, binding contract between Debtor and purchaser for the sale of inventory. Bank shall not be obligated to do and perform any of the acts or things provided in the contracts covered hereby to be done or performed by Debtor, but if there is a default by Debtor in the payment of any amount due on any indebtedness secured hereby, then Bank may, at its election, perform some or all of the obligations provided in said contracts to be performed by Debtor, and if Bank incurs any liability or expenses by reason thereof, same shall be payable by Debtor upon demand and same shall also be secured by this agreement.

13. Unless Bank notifies Debtor in writing that it dispenses with any one or more of the following requirements, Debtor will: (a) give Bank assignments in form acceptable to Bank, of specific accounts or groups of accounts, of monies due and to become due under specific contracts, and of chattel paper; (b) furnish to Bank a copy, with such duplicate copies as Bank may request, of the invoice applicable to each account specifically assigned to Bank or arising out of a contract right, bearing a statement that such account has been assigned to Bank, and such additional statements as Bank may require, and of each chattel paper instrument; (c) inform Bank immediately of the rejection of goods, delay in delivery or performance, or claims made, in regard to any account, contract right or chattel paper specifically assigned to Bank; (d) make no change in any specifically assigned chattel paper or account or in any account arising out of a contract right assigned to Bank, and no material change in the terms of any such contract; (e) furnish to Bank all information received by Debtor affecting the financial standing of any purchaser whose account, contract right or chattel paper has been specifically assigned to Bank; (f) pay Bank the amount loaned against any account, contract right or chattel paper specifically assigned to Bank where the goods are returned by purchaser, or where the contract is cancelled or terminated; (g) immediately notify Bank if any of its accounts arise out of contracts with the United States or any department, agency or instrumentality thereof, and execute any instruments and take any steps required by Bank in order that all monies due and to become due under any such contract shall be assigned to Bank and notice thereof given to the Government under the Federal Assignment of Claims Act; (h) keep its inventory, including returned merchandise, insured for the benefit of Bank (to whom loss shall be payable) in such amounts, in such companies, and against such risks as may be satisfactory to Bank; pay the cost of all such insurance; and deliver certificates evidencing such insurance to Bank; and assign to Bank all right to receive proceeds of such insurance; direct any insurer to pay all proceeds directly to Bank, and authorize Bank to endorse any draft for such proceeds; (i) keep returned goods segregated from Debtor's other property, and hold such goods as trustee for Bank until it has paid Bank the amount loaned against the related account or chattel paper, and deliver such goods on demand to Bank, which shall have a security interest in such goods; (j) furnish to Bank satisfactory evidence of the shipment and receipt of any goods specified by Bank and the performance of any services or obligations covered by accounts in which Bank has a security interest; (k) pay Bank the unpaid portion of any specifically assigned chattel paper, account or contract right (l) if such is not paid promptly after its maturity; (ll) if purchaser does not accept the goods or services; or (lll) if any petition under the Bankruptcy Act or any similar Federal or State statute, is filed by or against purchaser; and (4) deliver to Bank, with appropriate endorsement or assignment, any instrument or chattel paper representing an account or contract right. Any permission granted to Debtor by Bank to omit any of the requirements of this paragraph may be revoked by Bank at any time.

14. Bank shall have the right to notify the account debtors obligated on any or all of Debtor's accounts, contracts or chattel paper to make payment thereof directly to Bank, and to take control of all proceeds of any such accounts, contracts or chattel paper, which right Bank may exercise at any time whether or not the Debtor is then in default hereunder, or was theretofore making collections thereon. Until such time as Bank elects to exercise such right by mailing to Debtor written notice thereof, Debtor is authorized, as agent of the Bank, to collect and enforce said accounts, contracts or chattel paper. Debtor will forthwith on receipt of all checks, drafts, cash, and other remittances in payment of inventory sold, or in payment of Debtor's accounts or in payment of Debtor's chattel paper or in payment of Debtor's contracts, deposit the same in a special bank account maintained with Bank over which Bank alone has power of withdrawal. The funds in said account shall be held by Bank as security for all loans made hereunder and all other indebtedness of Debtor to Bank. Said proceeds shall be deposited in precisely the form received, except for the endorsement of Debtor when necessary to permit collection to items which endorsement Debtor agrees to make, and which Bank is also hereby authorized to make on Debtor's behalf. Pending such deposit, Debtor agrees that it will not commingle any such checks, drafts, cash and other remittances with any of Debtor's other funds or property, but will hold them separate and apart therefrom and in trust from Bank until deposit thereof is made in the special account. Bank will, at least once a week, apply the whole or any part of the collected funds on deposit in the special account against the indebtedness secured hereby, the amount, order and method of such application to be in the discretion of Bank. Any portion of said funds on deposit in the special account which Bank elects not to so apply may be paid over by Bank to Debtor.

15. The Debtor will use a chattel paper contract and an accounts receivable invoice form in his dealings with account debtors, which bars the latter from asserting defenses against the Bank. Debtor will notify Bank by the fastest reasonable means when the Collateral or any chattel paper used as Collateral is returned to or repossessed by Debtor from the account debtor. Debtor will, upon the request of Bank, stamp all contracts, chattel paper and accounts receivable ledger sheets with the notation that they have been assigned to Bank.

16. Debtor will promptly notify Bank, in writing, of any new place or places of business or any change in the location of the Collateral.

17. Debtor's chief Executive Office is located in the state of Mississippi.

18. Debtor's state of organization is the state of Mississippi.

19. Debtor's exact legal name is set forth on the first page of this agreement, and includes any and all "doing business as" (d/b/a) names.

20. Debtor authorizes the Bank to file a financing statement describing the Collateral and any liens, including statutory liens held by the Bank.

21. Debtor is the owner of the Collateral free and clear of all liens and security interests except the security interest granted hereby, and Debtor will defend the Collateral against the claims and demands of all persons. Debtor has no knowledge of any fact which would impair the value or validity of the chattel paper, accounts, or contracts. The Account Debtor of the chattel paper, accounts, or contracts has no defense, set-off or counter claim effective against the Debtor. Debtor will preserve all rights that it has against its Account Debtor and all prior parties in the chattel paper.

22. Debtor will pay Bank all amounts secured hereby as and when the same shall be due and payable, whether at maturity, by acceleration or otherwise, or when Bank deems itself insecure for any reason.

23. Debtor will pay and discharge all taxes, levies and other impositions levied thereon as well as any and all costs of filing financing, continuation and termination statements with respect to the security interest created hereby, and Bank is authorized to do all things which it deems necessary to perfect and continue perfected the security interest created hereby and to protect the Collateral.

24. Debtor has no undisclosed or contingent liabilities which are not reflected in a financial statement on file with Bank at the execution of this agreement. During the continuation of this agreement, Debtor will employ accountants acceptable to Bank and will furnish to Bank as soon as practicable after the close of each of its fiscal years a copy of its annual report prepared by such accountants and will also furnish Bank a balance sheet and operating statement prepared by accountants acceptable to Bank and certified by Debtor as soon as possible after the end of each _____. The Bank shall have the right, at any time, by its own auditors, accountants, or other agents, to examine or audit any of the books and records of Debtor, or the Collateral, which will be made available upon request. Such accountants or other representatives of Bank will be permitted to make any verification of the existence of the Collateral or accuracy of the records which the Bank deems necessary or proper. Any reasonable expenses incurred by Bank in making such examination, inspection, verification or audit shall be paid by Debtor promptly on demand and shall be secured by the security interest granted hereby.

25. So long as any liability to Bank is outstanding, Debtor will not without the prior written consent of Bank borrow from anyone except Bank or pledge or grant any security interest in any of its inventory or in any account, contract right or chattel paper, or other property, to anyone except Bank, or permit any lien or encumbrance to attach to any of the foregoing, or any levy to be made thereon, or any financing statement (except Bank's statement) to be on file with respect thereto.

26. Debtor shall be in default under this agreement: (a) when Debtor has made any misstatement in connection with or has failed to pay or perform any of the obligations, agreements or affirmations under any indebtedness secured by this security agreement or under this or any other security agreement with Bank; (b) when any event occurs which results in acceleration of the maturity of the indebtedness of Debtor under any agreement with any person; (c) upon the death, dissolution, termination of existence or business failure of Debtor, or the appointment of receiver for any part of the property of, assignment for the benefit of creditors by, or the commencement of any proceeding in bankruptcy or insolvency by or against, Debtor or any surety for Debtor; or (d) when Bank in good faith deems itself insecure and its prospect of payment impaired.

UPON DEFAULT, all sums secured hereby shall immediately become due and payable at Bank's option without notice to Debtor, and Bank may proceed to enforce payment of same and to exercise any or all rights and remedies provided by the Uniform Commercial Code of Mississippi or other applicable law, as well as all other rights and remedies possessed by Bank, all of which shall be cumulative. Whenever Debtor is in default hereunder, and upon demand by Bank, Debtor shall assemble the Collateral and make it available to Bank at a place reasonably convenient to Bank and Debtor. Any notice of sale, lease, or other intended disposition of or realization on the Collateral by Bank sent to Debtor at the address specified above, or at such other addresses of Debtor as may be shown on Bank's records, at least ten (10) days prior to such action, shall constitute reasonable notice to Debtor.

In the event of default, it is agreed that the Bank shall have the right to set off the balance due on any notes executed pursuant to this agreement in whole or in part against any deposits or monies credited or owing by the Bank to the Debtor or any party to such notes.

Debtor waives protest of all commercial paper at any time held by Bank on which Debtor is in any way liable, notice of nonpayment at maturity of any and all accounts, and except where required hereby, notice of action taken by Bank.

Debtor releases Bank from all claims for loss or damage caused by any failure to collect any account or chattel paper or enforce any contract right or by any act or omission on the part of Bank, its officers, agents and employees, except willful misconduct.

Bank may waive any default before or after the same has been declared without impairing its right to declare a subsequent default hereunder, this right being a continuing one.

Either party hereto reserves the right to terminate this agreement at any time upon giving the other thirty (30) days prior written notice of its intention to do so, but this reservation of notice in no way diminishes Bank's right to decline to handle any particular note offered for discount as provided herein. Upon such termination, all Collateral thereafter acquired by Debtor shall also be subject to the security interest granted hereby, and all other terms, conditions and obligations of Debtor to Bank shall continue in effect until all indebtedness secured hereby has been paid.

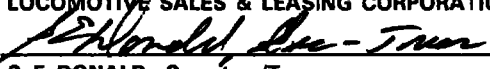
If any provision of this agreement is held invalid, such invalidity shall not affect the validity or enforcement of the remaining provisions of this agreement.

This agreement shall inure to the benefit of Bank's successors and assigns and shall bind Debtor's heirs, representatives, successors and assigns. If there is more than one Debtor, their obligations hereunder shall be joint and several.


27 Governing Law. This Agreement is governed by and shall be construed in accordance with the laws of Mississippi.

IN WITNESS WHEREOF, this agreement has been executed this 2nd day of April, 2008.

LOCOMOTIVE SALES & LEASING CORPORATION

BY:  4-2-08
S E DONALD, Secretary/Treasurer Date

LOCOMOTIVE SALES & LEASING CORPORATION

BY:  4-2-08
WILLIAM H. WRIGHT, Vice President Date

LOCOMOTIVE SALES & LEASING CORPORATION

BY:  4-2-08
ROBERT E CROWLEY, President Date

Date

Date

Date